

**EXHIBIT 3. National Health Expenditures by Type and Payer, 2018**

Type of expenditure	Payer amount (millions) and share of total							
	Total	Medicaid	CHIP	Medicare	Private insurance	Other health insurance <sup>1</sup>	Other third-party payers <sup>2</sup>	Out of pocket
<b>Total payer expenditures</b>	<b>\$3,649,386</b>	<b>\$597,387</b>	<b>\$18,583</b>	<b>\$750,182</b>	<b>\$1,243,050</b>	<b>\$119,747</b>	<b>\$544,825</b>	<b>\$375,610</b>
Hospital care	1,191,813	196,642	4,673	296,989	481,088	67,500	110,093	34,829
Physician and clinical services	725,553	77,394	4,395	170,242	311,808	30,195	70,354	61,165
Dental services	135,636	12,783	2,137	1,189	62,246	1,870	560	54,852
Other professional services <sup>3</sup>	103,894	7,694	399	27,195	35,129	–	7,350	26,128
Home health care	102,191	35,893	73	40,262	12,210	758	2,840	10,155
Other non-durable medical products <sup>4</sup>	66,352	–	–	2,103	–	–	–	64,250
Prescription drugs	335,037	33,363	2,010	107,248	134,259	9,327	1,750	47,079
Durable medical equipment <sup>5</sup>	54,864	8,082	188	8,859	11,287	–	956	25,492
Nursing care facilities and continuing care retirement communities <sup>6</sup>	168,504	49,893	16	38,135	17,080	5,646	12,898	44,837
Other health, residential, and personal care services <sup>7</sup>	191,615	111,089	1,648	4,931	13,623	1,046	52,454	6,825
Administration <sup>8</sup>	306,039	64,554	3,043	53,032	164,320	3,405	17,684	–
Public health activity	93,522	–	–	–	–	–	93,523	–
Investment	174,364	–	–	–	–	–	174,364	–
<b>Total payer share of expenditures</b>	<b>100.0%</b>	<b>16.4%</b>	<b>0.5%</b>	<b>20.6%</b>	<b>34.1%</b>	<b>3.3%</b>	<b>14.9%</b>	<b>10.3%</b>
Hospital care	100.0%	16.5%	0.4%	24.9%	40.4%	5.7%	9.2%	2.9%
Physician and clinical services	100.0%	10.7%	0.6%	23.5%	43.0%	4.2%	9.7%	8.4%
Dental services	100.0%	9.4%	1.6%	0.9%	45.9%	1.4%	0.4%	40.4%
Other professional services <sup>3</sup>	100.0%	7.4%	0.4%	26.2%	33.8%	–	7.1%	25.1%
Home health care	100.0%	35.1%	0.1%	39.4%	11.9%	0.7%	2.8%	9.9%
Other non-durable medical products <sup>4</sup>	100.0%	–	–	3.2%	–	–	–	96.8%
Prescription drugs	100.0%	10.0%	0.6%	32.0%	40.1%	2.8%	0.5%	14.1%
Durable medical equipment <sup>5</sup>	100.0%	14.7%	0.3%	16.1%	20.6%	–	1.7%	46.5%
Nursing care facilities and continuing care retirement communities <sup>6</sup>	100.0%	29.6%	0.0%	22.6%	10.1%	3.4%	7.7%	26.6%
Other health, residential, and personal care services <sup>7</sup>	100.0%	58.0%	0.9%	2.6%	7.1%	0.5%	27.4%	3.6%
Administration <sup>8</sup>	100.0%	21.1%	1.0%	17.3%	53.7%	1.1%	5.8%	–
Public health activity	100.0%	–	–	–	–	–	100.0%	–
Investment	100.0%	–	–	–	–	–	100.0%	–

**Notes:** Every five years National Health Expenditure Accounts undergo a comprehensive revision that includes the incorporation of newly available source data, methodological and definitional changes, and benchmark estimates from the U.S. Census Bureau's quinquennial Economic Census. The values shown here reflect the comprehensive revision made in 2014, and thus, the figures shown here may reflect methodological and definitional shifts within payer and service categories from prior publications of MACStats. For example, the 2014 methodology implemented a new method for allocating Medicaid managed care premiums to the goods and services categories for states that have a large percentage of Medicaid managed care spending. That change caused a downward revision for hospitals and home health and an upward revision for other service categories. Exhibit posted online August 17, 2020.

– Dash indicates zero; 0.0% indicates an amount less than 0.05% that rounds to zero.

<sup>1</sup> U.S. Department of Defense and U.S. Department of Veterans Affairs.

<sup>2</sup> Includes all other public and private programs and expenditures except for out-of-pocket amounts.

<sup>3</sup> The other professional services category includes services provided in establishments operated by health practitioners other than physicians and dentists, including those provided by private-duty nurses, chiropractors, podiatrists, optometrists, and physical, occupational, and speech therapists.

<sup>4</sup> The other non-durable medical products category includes the retail sales of non-prescription drugs and medical sundries.

<sup>5</sup> The durable medical equipment category includes retail sales of items such as contact lenses, eyeglasses, and other ophthalmic products, surgical and orthopedic products, hearing aids, wheelchairs, and medical equipment rentals.

<sup>6</sup> The nursing care facilities and continuing care retirement communities category includes nursing and rehabilitative services provided in freestanding nursing home facilities that are generally provided for an extended period of time by registered or licensed practical nurses and other staff.

<sup>7</sup> The other health, residential, and personal care category includes spending for Medicaid home- and community-based waivers, care provided in residential facilities for people with intellectual disabilities or mental health and substance abuse disorders, ambulance services, school health, and worksite health care.

<sup>8</sup> The administrative category includes the administrative cost of health care programs (e.g., Medicare and Medicaid) and the net cost of private health insurance (administrative costs, as well as additions to reserves, rate credits and dividends, premium taxes, and plan profits or losses).

**Sources:** Office of the Actuary (OACT), CMS, 2019, *National health expenditures by type of service and source of funds: Calendar years 1960–2018*, Baltimore, MD: OACT, <https://www.cms.gov/files/document/national-health-expenditures-type-service-and-source-funds-cy-1960-2018.zip>. OACT, 2019, *National health expenditure accounts: Methodology paper, 2018*, Baltimore, MD: OACT, <https://www.cms.gov/files/document/definitions-sources-and-methods.pdf>. OACT, 2014, *Summary of 2014 comprehensive revision to the national health expenditure accounts*, Baltimore, MD: OACT, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/benchmark2014.pdf>.